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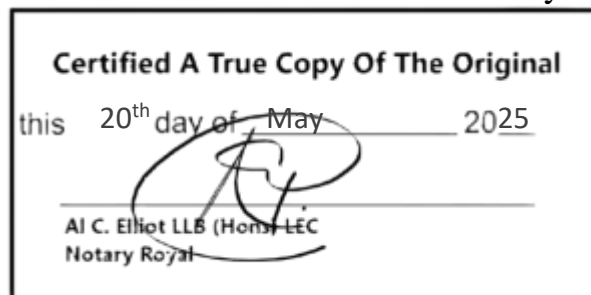
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A.C. ELLIOT ATTORNEYS



20th May 2025



Ryo Global Markets Limited,
Top Floor,
Rodney Court Building,
Rodney Bay,
Gros Islet,
St. Lucia

To Whom It May Concern

I, the undersigned Al Carlisle Elliot, practicing Attorney-at-Law of the law firm, A.C. ELLIOT ATTORNEYS in the State of Saint Lucia, confirm that I am qualified to give this Legal Opinion on the laws of Saint Lucia.

We are instructed as follows:

That **Ryo Global Markets Limited** was incorporated in Saint Lucia on the 07th August 2023, as an International Business Company identified by company number 2023-00370.

We have been asked to provide a legal opinion on the following:

Whether the Company requires a license to conduct its business of Forex Trading/Brokerage, Online Trading, Contracts for Difference (CFDs), including offering CFDs over cryptocurrencies, outside of the jurisdiction of Saint Lucia.

In preparing this opinion we have considered the following legislation:

- Companies Act
- International Business Companies (Amendment) Act 2019
- Banking Act
- International Banks Act
- The Income Tax Act
- The Economic Substance Act 2019
- Trade Licence Act
- Virtual Asset Business Act 2022

We hereby offer the following opinion:



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There is no legislation enacted in St. Lucia that governs activities in Forex, Forex Brokerage, CFDs, or Stock Trading, and there is therefore no legal prohibition against the Company engaging in such activities or declaring such activities in its Articles of Association. The trading of securities or the carrying on of a foreign exchange business is not regulated by any local legislation of Saint Lucia.

Therefore, the trading of securities and the carrying on of a foreign exchange business is not a prohibited activity under the IBC Act or any other legislation applicable in Saint Lucia and a company can engage in any of these business activities outside of the jurisdiction of Saint Lucia.

The Tax Act and The Economic Substance Act

The Income Tax (Amendment) Act No.12 of 2018 introduced a territorial tax system to Saint Lucia exempting resident companies from corporate tax on foreign source income (FSI), which is any income that is earned outside of Saint Lucia. However, pursuant to the Economic Substance Act, 2019, in order to qualify as income that is considered to be derived from a source outside of Saint Lucia or FSI, the company must show that its income is:

- (a) profits derived from
 - i a permanent establishment outside Saint Lucia,
 - ii immovable property situated outside Saint Lucia;
- (b) income derived from investments in securities, such as, mutual funds, stocks and interest-bearing instruments, issued by a person outside Saint Lucia;
- (c) management charges paid by a non-resident from a source outside Saint Lucia where the costs are not attributable to a permanent establishment in Saint Lucia;
- (d) royalty payments received from a non-resident permanent establishment to a resident permanent establishment;
- (e) a source of income which is deemed to accrue from a source outside Saint Lucia pursuant to an international agreement.”

The Economic Substance Act No. 33 of 2019 (ESA) was introduced on December 23rd, 2019, to ensure that Saint Lucia meets the substantial activity requirements prescribed by the Organization of Economic Cooperation and Development Forum on Harmful Tax Practices (OECD- FHTP) and the European Union (EU) Code of Conduct Group (COCG) (Business Taxation). These organizations seek to reduce the occurrence of base erosion profit shifting (BEPS) by requiring that taxes within jurisdictions be aligned with value creation.

If your company records foreign source income in Saint Lucia and wishes to meet the prescribed economic substance requirements to qualify for the tax exemption on foreign source income, your company must meet the following criteria annually:

1. have adequate operating expenses, physical presence (premises) and employees commensurate with revenue generated.
2. be directed and managed in Saint Lucia and
3. must engage in core income generating activities (CIGA) in Saint Lucia¹

The Comptroller of the Inland Revenue Department must be notified when a relevant entity fails to qualify for the exemption on foreign source income and failure to meet economic substance requirements will lead to taxation of foreign source income at the corporation tax rate (30%)

Trade Licence Act

The stated operation of the company's business is outside of the jurisdiction of Saint Lucia. Therefore, there is no requirement for a Trade Licence to be obtained in Saint Lucia for the company's business.



¹ See Appendix for list of Core Income Generating Activities

Virtual Asset Business Act St. Lucia

This Act applies to a person who, whether before or after the commencement of this Act, offers or operates a virtual asset business in or from Saint Lucia.

“Virtual Asset” is defined as:

- (a) a digital representation of value that can be digitally traded, or transferred, and can be used for payment or investment purposes;
- (b) not including digital representations of fiat currency or security;

“Virtual Asset Business” means the conduct, for or on behalf of another person, of one or more of the following activities or operations:

- (a) an exchange between a virtual asset and fiat currency;
- (b) an exchange between one or more forms of virtual assets;
- (c) a transfer of a virtual asset, whether or not for value;
- (d) the safekeeping or administering of a virtual asset or instruments enabling control over a virtual asset;
- (e) participating in or providing financial services related to the issue or sale of a virtual asset.

Section 4 of the Act provides that a person shall not offer or operate in or from Saint Lucia, a virtual asset business without being licensed under this Act. The Authority may order a person to cease offering or operating a virtual asset business until an application for a licence is determined. A person who operates a virtual asset business contrary to the Act is liable on summary conviction to a fine not exceeding ten thousand dollars and imprisonment for a term not exceeding two years and is prohibited from making another application for a licence under the Act.

A virtual asset business which is licensed under this Act is not required to be licensed under the Trade Licences Act. A person shall not, in an application for a licence, make a false or misleading declaration or submit false or misleading documents in support of the application. An application for a licence which contains a false or misleading declaration or is supported by false or misleading documents is void.



Conclusion

Forex Trading or Brokerage that does not include any aspect of virtual assets, does not fall within the scope of virtual asset business. Similarly, Stock Trading and related services that operate without any aspect of virtual assets, would not fall within the scope of virtual asset business. Forex Trading or Brokerage, and Stock Trading and related services, are business activities that are not regulated by any legislation or in any way in Saint Lucia. The legitimate operation of Forex Trading or Brokerage by a company registered in St. Lucia, is not illegal and a company that offers such services may be licensed and or regulated by a competent authority. Nothing prevents a Saint Lucian registered company from operating such business activity within a legal framework in another jurisdiction.

NOTE THAT: Cryptocurrency and Contracts for Difference having a component of virtual assets, can be legally classified as virtual asset business. We confirm that for the operation of any virtual asset business or service, in or from Saint Lucia, the Company registered in Saint Lucia would require a licence pursuant to the Virtual Asset Act of Saint Lucia. A company that is registered in Saint Lucia, is, by virtue of it's registration, either operating in Saint Lucia, or from Saint Lucia, as Saint Lucia would be its domicile jurisdiction.

If the company intends to operate as a CFD broker, it would not need a licence unless its CFDs involve virtual assets.

The opinions set out above are limited to matters of Saint Lucia law as it exists at the date hereof and express no opinion with respect to the laws of any other jurisdiction.

Yours faithfully,
A.C.ELLIOT ATTORNEYS

Per _____
Al Carlisle Elliot I LL.B. (Hons.) L.E.C



Appendix

Core Income Generating Activities

A relevant entity shall provide proof to the Competent Authority (income tax authority) of the following core income-generating activities:

(a) in the case of the banking business sector:

- (i) raising funds
- (ii) managing risk including credit currency and interest risk
- (ii) taking hedging positions
- (iv) providing loans, credit or other financial services to customers,
- (v) accepting monetary deposits, holding assets on behalf of customers and providing similar financial services,
- (vi) managing regulatory capital, and
- (vii) preparing regulatory reports and returns;

(b) in the case of the insurance business sector:

- (i) predicting and calculating risk,
- (ii) insuring or re-insuring against risk,
- (iii) providing client services, and
- (iv) preparing regulatory reports and returns;

(c) in the case of the shipping sector:

- (i) managing crew, including hiring, paying, and overseeing crew members
- (ii) hauling and maintaining ships,
- (iii) overseeing and tracking deliveries
- (iv) determining the goods to order and when to deliver the goods, and
- (v) organizing and overseeing voyages;

(d) in the case of the international mutual funds business sector:

- (i) taking decisions on the holding and selling of investments,
- (ii) calculating risks and reserves
- (iii) taking decisions on currency or interest fluctuations and hedging positions, and
- (iv) preparing relevant regulatory or other reports for government authorities and investors;

(e) in the case of a distribution and service centre business:

- (i) transporting and storing goods,
- (ii) managing stocks and processing orders, and
- (iii) providing consultation or administrative services;



- (f) **in the case of the financing and leasing sector:**
 - (i) in the case of leasing, identifying and acquiring assets to be leased agreeing funding terms.
 - (ii) agreeing funding terms
 - (iii) setting the terms and duration of any financing, leasing or hire-purchase agreement,
 - (iv) monitoring and revising agreements and
 - (v) managing risks;
- (g) **in the case of the headquartering sector:**
 - (i) making management decisions on behalf of a foreign group entity,
 - (ii) taking decisions that are material for decision-making in a foreign group entity,
 - (iii) incurring expenditure on behalf of a group entity, and
 - (iv) co-ordinating group activities;
- (h) **in the case of a relevant entity with income from holding tangible assets:**
 - (i) taking strategic decisions, managing and bearing principal risks relating to the development and subsequent exploitation of the tangible asset.
 - (ii) taking strategic decisions, managing and bearing principal risks relating to the third party acquisition and subsequent exploitation of the tangible asset, and
 - (ii) carrying on the underlying trading activities through which the tangible asset is exploited and leads to the generation of revenue from third parties;
- (i) **in the case of a relevant entity with income from holding intangible assets:**
 - (i) conducting research and development without acquiring or outsourcing research and development,
 - (ii) conducting marketing, branding and distribution activities,
 - (iii) taking strategic decisions, managing and bearing principal risks relating to the development and subsequent exploitation of the intangible asset,
 - (iv) taking strategic decisions, managing and bearing principal risks relating to the third party acquisition and subsequent exploitation of the intangible asset,
 - (v) carrying on the underlying trading activities through which the intangible asset is exploited and leads to the generation of revenue from third parties;
- (j) **in the case of a pure equity holding company, acquiring and holding equity participations or interest in other entities that generate only dividends and capital gains.**